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## **Leaking Corporate Electronic Information and Employees' Happiness: Is There a Connection?**

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### **ABSTRACT**

Nowadays, most organizations accumulate massive electronic information including sensitive and proprietary information. This article introduces a theoretical model to investigate the relationship between employee happiness and their intentions to leak such proprietary corporate information. Additionally, the Happiness-Ethical-Leaking (HaEL) model aims at two separate types of leaking proprietary information including leaking for ethical reasons, referred also in literature as 'whistleblowing,' and leaking for unethical reasons, known as 'sabotage.' The proposed HaEL model hypothesizes the role of employee's job satisfaction, happiness, perceived organizational ethical commitment, commitment to the organization, and their role on the two types of intentions to leak proprietary corporate information. Brief discussions and recommendations for validation of the HaEL model are provided.

**Keywords:** Leaking electronic information, employee happiness, ethical actions, IS sabotage, electronic whistleblowing

### **INTRODUCTION**

Business organizations are accumulating an overwhelming volume of bytes of electronic documents daily (TreasuryandRisk.com 2012). Some examples include e-mails, internal memos, internal investigations, customers' records, internal policies and

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business practices, new product development reports, to name a few (Vaiman, Sigurjonsson, and Davidsson 2011). Given such accumulation of massive corporate electronic information, top information technology (IT) managers are facing significant challenges in managing employees' access who, on one hand, need such access to perform their daily tasks, while on the other hand, open a vulnerability to unethical access and leakage of proprietary corporate electronic information. Moreover, several concerns related to maintaining the security of electronic documents include the high cost and risk associated with it, as well as specific regulatory requirements to maintain such records over time. Leaked electronic information appears to evidently harm the reputation of executives, their respective business organizations, and stakeholders (Maor 2010).

The phenomenon of leaking information is not new. In 1971, classified secret Pentagon documents were leaked to the New York Times resulting in the impeachment proceedings against President Richard Nixon. In 2002, classified secret Pentagon documents were leaked to the Senate Foreign Relations Committee and 19 newspapers, bringing the convictions of several White House aides. Last year, the popular media has reported a sequence of leaked diplomatic electronic information, leading to embarrassment, apologies, and the expulsion of the US ambassadors to Nicaragua and Mexico (Solano 2011). However, government organizations are not the only entities with leaked electronic information, corporate have their own share as well. Corporation electronic information was reported about Mark Hurd's resignation from Hewlett-Packard® (HP) attributed to a sexual harassment incident, British Petroleum® (BP)'s oil spill in the Gulf of Mexico, and Facebook™ leaking users' information to advertisers. Such incidents of disclosure crisis have created awareness among top managers about the

challenges associated with electronic information security and harmful ramifications due to leakage.

Most incidents of leaked electronic documents have been associated with insiders (TreasuryandRisk.com 2011). Insiders are defined as current or former employees. Furthermore, research demonstrated that 67% of technology related compromises were executed by insiders (Ramim and Levy 2006; D'Arcy and Hovav 2009). In some cases, employees forward sensitive electronic documents to their private e-mails as evident in the case of Lehman Brothers traders forwarding sensitive e-mails to their wives' e-mail accounts (White and Theim 2010). In other incidents, electronic information was leaked via mashups to blogs, social networking sites including MySpace<sup>TM</sup> and Facebook<sup>®</sup> (Madsen 2009). Mashups enable bridging together electronic information from a multitude of sources using business intelligence tools into personal Webpages. As a result, mashups have simplified the process of synchronizing real time massive electronic information. Consequently, certain internal electronic information flows can increase the likelihood of leakage (Ruksenas, Curzon, and Blandford 2007).

There is a growing debate about individuals' ethical behavior when it comes to Information Systems Security (Levy, Ramim, and Hackney 2012). Moreover, the phenomenon of leaking electronic information also appears to attract increased interest by researchers (Coddington 2012). It appears that job satisfaction, commitment to the organization, and perceived organizational ethical commitment (i.e. an employee's belief about their organization's commitment to ethical endeavors) are associated with the act of whistleblowing in which one leaks internal electronic information outside the organization in order to expose so-called 'wrongful policies and actions' (Ellsberg 2010;

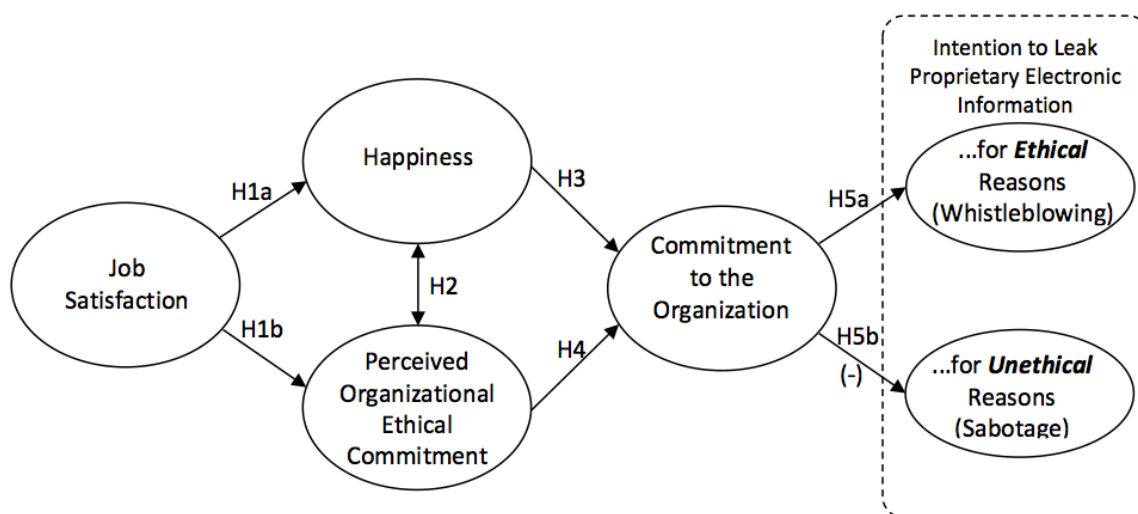
Keil, Smith, Pawlowski, and Jin 2004). In this case, the employee involved in leaking electronic information is motivated by his/her lack of “power and authority to handle the situation, and must therefore appeal to someone of greater power or authority” (Keil et al. 2004, p. 2). Consequently, there is some evidence in literature that the act of leaking is influenced by the organizational ethical climate, but appears to be mediated by one’s sense of commitment to the organization.

Organizational ethical climate was found as a significant contributor for employees’ happiness and greater commitment to the organization (Rego, Ribeiro, Cunha, and Jesuino 2011). Several noteworthy examples include the tobacco industry, the accounting scandals of Enron, as well as the U.S. military soldier who was in Iraq and allegedly leaked classified video of a military operation to WikiLeaks. In these historic incidents, it is apparent that employees perceive that their organizational ethical commitment is low regarding observing internal policies and ethical actions, leading to reduced job satisfaction, deep internal unhappiness with their workplace, and appears to have an increased intention to leak sensitive electronic information. Though, in this theoretical work, one must distinct between intentions to leak electronic information for ethical reasons (i.e. ‘whistleblowing’), and intentions to leak for unethical reasons (i.e. ‘sabotage’). Furthermore, prior research indicates that employee happiness may play a substantial role in ethical and/or unethical intentions as well as actions (Zagonari 2009). According to Metzger (2011), “happiness is associated with a sense of integrity ..., which can then help us make the right ethical decisions that will aid the world at large” (p. 12). However, in the context of employees’ leaking electronic information in the organization, prior literature indicates that the impact of happiness on ethical intentions is mediated by

the employees' commitment to the organization (Zagonari 2009).

### PROPOSED RESEARCH MODEL

In this theoretical work, happiness is defined as a state of mind (Zagonari 2009), or as a mix of the state of mind and state of the world. Zagonari (2009) noted that happiness, a multidimensional construct, is associated with the dimensions of pleasure, subjective wellbeing, and satisfaction. Subsequently, some actions are driven by internal sources such as moral values where others are driven by external source such as society. Independent of the sources' type, Zagonari (2009) claimed that all human actions are taken to pursue some level of happiness. Furthermore, some evidence in prior literature suggests that happiness in the workplace may have some significant impact on ethical engagements (Francis 1999; Glatzer 2000; Rego and Cunha 2008). However, although it appears highly warranted, research linking happiness and electronic information leakage appears to be missing. Thus, the proposed model will attempt to address this gap in literature by introducing the *Happiness-Ethical-Leaking* (HaEL) model to better understand the linkage between job satisfaction, employee happiness, perceived



**Figure 1:** *Happiness-Ethical-Leaking* (HaEL) Model

organizational ethical commitment, commitment to the organization, and their role on the two types of intentions to leak proprietary electronic information. Figure 1 provides the theoretical conceptual map for the HaEL model proposed here.

The HaEL model introduced here deals with the distinction of the underlying causes of leaking electronic information, while hypothesizing that such implications must be considered under two types of leaking: one for ethical reasons and one for unethical reasons. The following are the proposed hypotheses:

H1a: *Job satisfaction* will exert significant positive influence on *employee happiness*.

H1b: *Job satisfaction* will exert significant positive influence on *employee's perceived organizational ethical commitment*.

H2: *Employee happiness* will exert significant correlation with *employee's perceived organizational ethical commitment*.

H3: *Employee happiness* will exert significant positive influence on *employee's commitment to the organization*.

H4: *Employee perceived organizational ethical commitment* will exert significant positive influence on *employee's commitment to the organization*.

H5a: *Employee commitment to the organization* will exert significant positive influence on *employee's intentions to leak electronic information for ethical reasons (i.e. 'whistleblowing')*.

H5b: *Employee commitment to the organization* will exert significant negative influence on *employee's intentions to leak electronic information for unethical reasons (i.e. 'sabotage')*.

In summary, the hypotheses above intend to provide an overview to the HaEL model validation proposed here. Validating the model will be part of an effort to better understand the factors that impact the ethical versus unethical leaking of proprietary electronic information, and the role that job satisfaction, happiness (or lack thereof), perceived organizational ethical commitment, and commitment to the organization play in contributing to such corporate leaks. Empirical validation of the model will be part of future research following this theoretical development.

### **SUMMARY**

Research has demonstrated the connection between unethical behavior and unhappiness (Giacalone and Promislo 2010). Victims of unethical behavior in the workplace such as bullying, discrimination, and injustices are likely to exhibit unhappiness. However, investigating the impact of happiness and its impact on the growing phenomena of leaking proprietary electronic information, be it driven by justified moral and ethical values or not, haven't received much attention among researchers. Therefore, this work proposes the HaEL model in an effort to better understand the motives behind such significant information leaking across different industries. For example, given the growing interest in electronic medical records (EMR) in the U.S. and elsewhere, data will be collected from three inter-related industries: medical, healthcare, and pharmaceutical in order to validate the model proposed here empirically. Leaking electronic information appears to be a complex issue in healthcare due to the various regulatory bodies (i.e. police, regulatory agencies, and accreditation body). Workers often face the question of revealing the incident to a superior within the organization, or outside the organization (Mansbach, Melzer, and Bachner 2012). Beyond



the embarrassment to the organization, there are potential consequences that include losing the license to operate.

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